

Effective 5/12/2015

Chapter 7 Tourism Development

Part 1 Board of Tourism Development

63N-7-101 Board of Tourism Development.

- (1) This chapter is known as "Tourism Development."
- (2) There is created within the office the Board of Tourism Development.
- (3) The board shall advise the office on the office's planning, policies, and strategies and on trends and opportunities for tourism development that may exist in the various areas of the state.
- (4) The board shall perform other duties as required by Section 63N-7-103.

Renumbered and Amended by Chapter 283, 2015 General Session

63N-7-102 Members -- Meetings -- Expenses.

- (1)
 - (a) The board shall consist of 13 members appointed by the governor to four-year terms with the consent of the Senate.
 - (b) Notwithstanding the requirements of Subsection (1)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.
- (2) The members may not serve more than two full consecutive terms unless the governor determines that an additional term is in the best interest of the state.
- (3) Not more than seven members of the board may be of the same political party.
- (4)
 - (a) The members shall be representative of:
 - (i) all areas of the state with six being appointed from separate geographical areas as provided in Subsection (4)(b); and
 - (ii) a diverse mix of business ownership or executive management of tourism related industries.
 - (b) The geographical representatives shall be appointed as follows:
 - (i) one member from Salt Lake, Tooele, or Morgan County;
 - (ii) one member from Davis, Weber, Box Elder, Cache, or Rich County;
 - (iii) one member from Utah, Summit, Juab, or Wasatch County;
 - (iv) one member from Carbon, Emery, Grand, Duchesne, Daggett, or Uintah County;
 - (v) one member from San Juan, Piute, Wayne, Garfield, or Kane County; and
 - (vi) one member from Washington, Iron, Beaver, Sanpete, Sevier, or Millard County.
 - (c) The tourism industry representatives of ownership or executive management shall be appointed as follows:
 - (i) one member from ownership or executive management of the lodging industry, as recommended by the lodging industry for the governor's consideration;
 - (ii) one member from ownership or executive management of the restaurant industry, as recommended by the restaurant industry for the governor's consideration;
 - (iii) one member from ownership or executive management of the ski industry, as recommended by the ski industry for the governor's consideration; and

- (iv) one member from ownership or executive management of the motor vehicle rental industry, as recommended by the motor vehicle rental industry for the governor's consideration.
- (d) One member shall be appointed at large from ownership or executive management of business, finance, economic policy, or the academic media marketing community.
- (e) One member shall be appointed from the Utah Tourism Industry Coalition as recommended by the coalition for the governor's consideration.
- (f) One member shall be appointed to represent the state's counties as recommended by the Utah Association of Counties for the governor's consideration.
- (g)
 - (i) The governor may choose to disregard a recommendation made for a board member under Subsections (4)(c), (e), and (f).
 - (ii) The governor shall request additional recommendations if recommendations are disregarded under Subsection (4)(g)(i).
- (5) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the unexpired term from the same geographic area or industry representation as the member whose office was vacated.
- (6) Seven members of the board constitute a quorum for conducting board business and exercising board powers.
- (7) The governor shall select one of the board members as chair and one of the board members as vice chair, each for a four-year term as recommended by the board for the governor's consideration.
- (8) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
 - (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
 - (c) rules made by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- (9) The board shall meet monthly or as often as the board determines to be necessary at various locations throughout the state.
- (10) Members who may have a potential conflict of interest in consideration of fund allocation decisions shall identify the potential conflict prior to voting on the issue.
- (11)
 - (a) The board shall determine attendance requirements for maintaining a designated board seat.
 - (b) If a board member fails to attend according to the requirements established pursuant to Subsection (11)(a), the board member shall be replaced upon written certification from the board chair or vice chair to the governor.
 - (c) A replacement appointed by the governor under Subsection (11)(b) shall serve for the remainder of the board member's unexpired term.
- (12) The board's office shall be in Salt Lake City.

Renumbered and Amended by Chapter 283, 2015 General Session

63N-7-103 Board duties.

- (1) The board:
 - (a) has authority to approve a tourism program of out-of-state advertising, marketing, and branding, taking into account the long-term strategic plan, economic trends, and opportunities for tourism development on a statewide basis, as a condition of the distribution of funds to the office from the:
 - (i) Tourism Marketing Performance Account created in Section 63N-7-301; and

- (ii) Stay Another Day and Bounce Back Account, created in Section 63N-2-511;
 - (b) shall review office programs to coordinate and integrate advertising and branding themes, which may include recreational, scenic, historic, and tourist attractions of the state, to be used in office programs;
 - (c) shall encourage and assist in coordinating activities of persons, firms, associations, corporations, civic groups, and governmental agencies that are engaged in publicizing, developing, and promoting the scenic attractions and tourist advantages of the state; and
 - (d) shall advise the office in establishing a cooperative program using funds from the Tourism Marketing Performance Account created in Section 63N-7-301.
- (2) The board may:
- (a) solicit and accept contributions of money, services, and facilities from any other sources, public or private and shall use these funds for promoting the general interest of the state in tourism; and
 - (b) establish subcommittees for the purpose of assisting the board in an advisory role.
- (3) The board may not, except as otherwise provided in Subsection (1)(a), make policy related to the management or operation of the office.
- (4)
- (a) For each fiscal year, the office shall allocate 20% of the funds appropriated to the Tourism Marketing and Performance Account created in Section 63N-7-301 to the cooperative program described in Subsection (1)(d) and this Subsection (4).
 - (b) Money allocated to the cooperative program may be awarded to cities, counties, nonprofit destination marketing organizations, and similar public entities for the purpose of supplementing money committed by these entities for advertising and promoting sites and events in the state.
 - (c) The office, with approval from the board, shall establish:
 - (i) an application and approval process for an entity to receive a cooperative program award, including an application deadline;
 - (ii) the criteria for awarding a cooperative program award, which shall emphasize attracting out-of-state visitors, and may include attracting in-state visitors, to sites and events in the state; and
 - (iii) eligibility, advertising, timing, and reporting requirements of an entity that receives a cooperative program award.
 - (d) Money allocated to the cooperative program that is not used in each fiscal year shall be returned to the Tourism Marketing Performance Account.

Renumbered and Amended by Chapter 283, 2015 General Session
Amended by Chapter 301, 2015 General Session

Part 2

Powers and Duties of Office

63N-7-201 Powers and duties of office related to tourism development plan -- Annual report and survey.

- (1) The office shall:
- (a) be the tourism development authority of the state;
 - (b) develop a tourism advertising, marketing, and branding program for the state;

- (c) receive approval from the Board of Tourism Development under Subsection 63N-7-103(1)(a) before implementing the out-of-state advertising, marketing, and branding campaign;
 - (d) develop a plan to increase the economic contribution by tourists visiting the state;
 - (e) plan and conduct a program of information, advertising, and publicity relating to the recreational, scenic, historic, and tourist advantages and attractions of the state at large; and
 - (f) encourage and assist in the coordination of the activities of persons, firms, associations, corporations, travel regions, counties, and governmental agencies engaged in publicizing, developing, and promoting the scenic attractions and tourist advantages of the state.
- (2) Any plan provided for under Subsection (1) shall address, but not be limited to, enhancing the state's image, promoting Utah as a year-round destination, encouraging expenditures by visitors to the state, and expanding the markets where the state is promoted.
- (3) The office shall:
- (a) conduct a regular and ongoing research program to identify statewide economic trends and conditions in the tourism sector of the economy; and
 - (b) include in the annual written report described in Section 63N-1-301, a report on the economic efficiency of the advertising and branding campaigns conducted under this part.

Renumbered and Amended by Chapter 283, 2015 General Session

63N-7-202 Agreements with other governmental entities.

The office may enter into agreements with state or federal agencies to accept services, quarters, or facilities as a contribution in carrying out the duties and functions of the office.

Renumbered and Amended by Chapter 283, 2015 General Session

Part 3

Tourism Marketing Performance Account

63N-7-301 Tourism Marketing Performance Account.

- (1) There is created within the General Fund a restricted account known as the Tourism Marketing Performance Account.
- (2) The account shall be administered by GOED for the purposes listed in Subsection (5).
- (3)
 - (a) The account shall earn interest.
 - (b) All interest earned on account money shall be deposited into the account.
- (4) The account shall be funded by appropriations made to the account by the Legislature in accordance with this section.
- (5) The director shall use account money appropriated to GOED to pay for the statewide advertising, marketing, and branding campaign for promotion of the state as conducted by GOED.
- (6)
 - (a) For each fiscal year beginning on or after July 1, 2007, GOED shall annually allocate 10% of the account money appropriated to GOED to a sports organization for advertising, marketing, branding, and promoting Utah in attracting sporting events into the state.
 - (b) The sports organization shall:

- (i) provide an annual written report to GOED that gives an accounting of the use of money the sports organization receives under this Subsection (6); and
 - (ii) partner with GOED to promote the state and to encourage economic growth in the state.
- (c) For purposes of this Subsection (6), "sports organization" means an organization that is:
 - (i) exempt from federal income taxation in accordance with Section 501(c)(3), Internal Revenue Code; and
 - (ii) created to foster national and international sports competitions in the state, including competitions related to Olympic sports, and to promote and encourage sports tourism throughout the state, including advertising, marketing, branding, and promoting Utah for the purpose of attracting, expanding, and retaining sporting events in the state.
- (7) Money deposited into the account shall include a legislative appropriation from the cumulative sales and use tax revenue increases described in Subsection (8), plus any additional appropriation made by the Legislature.
- (8)
 - (a) In fiscal years 2006 through 2019, a portion of the state sales and use tax revenues determined under this Subsection (8) shall be certified by the State Tax Commission as a set-aside for the account, and the State Tax Commission shall report the amount of the set-aside to the office, the Office of Legislative Fiscal Analyst, and the Division of Finance, which shall set aside the certified amount for appropriation to the account.
 - (b) For fiscal years 2016 through 2019, the State Tax Commission shall calculate the set-aside under this Subsection (8) in each fiscal year by applying one of the following formulas: if the annual percentage change in the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics of the United States Department of Labor, for the fiscal year two years before the fiscal year in which the set-aside is to be made is:
 - (i) greater than 3%, and if the annual percentage change in the state sales and use tax revenues attributable to the retail sales of tourist-oriented goods and services from the fiscal year three years before the fiscal year in which the set-aside is to be made to the fiscal year two years before the fiscal year in which the set-aside is to be made is greater than the annual percentage change in the Consumer Price Index for the fiscal year two years before the fiscal year in which the set-aside is to be made, then the difference between the annual percentage change in the state sales and use tax revenues attributable to the retail sales of tourist-oriented goods and services and the annual percentage change in the Consumer Price Index shall be multiplied by an amount equal to the state sales and use tax revenues attributable to the retail sales of tourist-oriented goods and services from the fiscal year three years before the fiscal year in which the set-aside is to be made; or
 - (ii) 3% or less, and if the annual percentage change in the state sales and use tax revenues attributable to the retail sales of tourist-oriented goods and services from the fiscal year three years before the fiscal year in which the set-aside is to be made to the fiscal year two years before the fiscal year in which the set-aside is to be made is greater than 3%, then the difference between the annual percentage change in the state sales and use tax revenues attributable to the retail sales of tourist-oriented goods and services and 3% shall be multiplied by an amount equal to the state sales and use tax revenues attributable to the retail sales of tourist-oriented goods and services from the fiscal year three years before the fiscal year in which the set-aside is to be made.
 - (c) The total money appropriated to the account in a fiscal year under Subsections (8)(a) and (b) may not exceed the amount appropriated to the account in the preceding fiscal year by more than \$3,000,000.

- (d) As used in this Subsection (8), "state sales and use tax revenues" are revenues collected under Subsections 59-12-103(2)(a)(i)(A) and 59-12-103(2)(c)(i).
- (e) As used in this Subsection (8), "retail sales of tourist-oriented goods and services" are calculated by adding the following percentages of sales from each business registered with the State Tax Commission under one of the following codes of the 2012 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget:
 - (i) 80% of the sales from each business under NAICS Codes:
 - (A) 532111 Passenger Car Rental;
 - (B) 53212 Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing;
 - (C) 5615 Travel Arrangement and Reservation Services;
 - (D) 7211 Traveler Accommodation; and
 - (E) 7212 RV (Recreational Vehicle) Parks and Recreational Camps;
 - (ii) 25% of the sales from each business under NAICS Codes:
 - (A) 51213 Motion Picture and Video Exhibition;
 - (B) 532292 Recreational Goods Rental;
 - (C) 711 Performing Arts, Spectator Sports, and Related Industries;
 - (D) 712 Museums, Historical Sites, and Similar Institutions; and
 - (E) 713 Amusement, Gambling, and Recreation Industries;
 - (iii) 20% of the sales from each business under NAICS Code 722 Food Services and Drinking Places;
 - (iv) 18% of the sales from each business under NAICS Codes:
 - (A) 447 Gasoline Stations; and
 - (B) 81293 Parking Lots and Garages;
 - (v) 14% of the sales from each business under NAICS Code 8111 Automotive Repair and Maintenance; and
 - (vi) 5% of the sales from each business under NAICS Codes:
 - (A) 445 Food and Beverage Stores;
 - (B) 446 Health and Personal Care Stores;
 - (C) 448 Clothing and Clothing Accessories Stores;
 - (D) 451 Sporting Goods, Hobby, Musical Instrument, and Book Stores;
 - (E) 452 General Merchandise Stores; and
 - (F) 453 Miscellaneous Store Retailers.

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